



**The State of New Hampshire  
Insurance Department**

21 South Fruit Street, Suite 14  
Concord, NH 03301  
(603) 271-2261 Fax (603) 271-1406  
TDD Access: Relay NH 1-800-735-2964

**Roger A. Sevigny**  
Commissioner

**Alexander K. Feldvebel**  
Deputy Commissioner

November 23, 2016

Sarah Prescott, Clerk  
NH Department of Insurance  
21 South Fruit Street  
Concord, NH 03301

Re: Anthem Cigna Merger – Docket No. INS. 15-054-AP  
Third Status Report

Dear Sarah,

Enclosed for filing in the above referenced docket is the Analysis Team's Third Status report. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Alexander K. Feldvebel". The signature is written in a cursive, flowing style.

Alexander K. Feldvebel

Cc: Steven Lauwers – Counsel for Anthem

**STATE OF NEW HAMPSHIRE  
INSURANCE DEPARTMENT**

**IN THE MATTER OF:**

**FORM A STATEMENT REGARDING THE ACQUISITION OF  
CONTROL OF OR MERGER WITH CIGNA HEALTHCARE OF NEW  
HAMPSHIRE, INC., BY ANTHEM, INC.; FORM E PRE-ACQUISITION  
NOTIFICATION FORM REGARDING THE POTENTIAL  
COMPETITIVE IMPACT OF A PROPOSED MERGER OR  
ACQUISITION BY ANTHEM, INC., OF CIGNA CORPORATION**

**Docket No:   Ins 15-054-AP**

**STATUS REPORT OF THE ANALYSIS TEAM AS OF NOVEMBER 22, 2016**

The Analysis Team of the Insurance Department (“Analysis Team”)<sup>1</sup> submits this third status report to the Insurance Commissioner (“Commissioner”) concerning the status of the Form A Statement Regarding the Acquisition of Control of Cigna Healthcare of New Hampshire, Inc., by Anthem, Inc. (“Anthem”), filed with the Insurance Department (“Department”) on September 2, 2015 (“Form A Statement”), and the related Form E Pre-Acquisition Notification Form Regarding the Potential Competitive Impact of a Proposed Merger or Acquisition by a Non-Domiciliary Insurer Doing Business in this State or by a Domestic Insurer concerning Anthem, Inc., and Cigna Corporation (“Form E Statement”) filed with the Department on December 11, 2015.

1.       As the regulator of insurance in New Hampshire, the Commissioner has authority to approve or disapprove a proposed merger or other acquisition of control involving insurance

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<sup>1</sup> As described in the Analysis Team’s status report of March 11, 2016, the Department has assigned staff to be involved in the review of Anthem’s application to two “teams”: (1) the Adjudicative Team, led by the Commissioner, who bears ultimate responsibility for making a decision in this matter; and (2) the Analysis Team, led by the Deputy Commissioner, which will review and evaluate the application and present a recommendation to the Commissioner at the public hearing in this matter.

companies operating in the state under the Insurance Holding Companies law, NH RSA chapter 401-B. The state's insurance company merger review is separate from any review of the merger in which the federal government or other state regulators may be engaged, and the Department's exercise of its authority is not contingent on action by the federal government or any other state regulator.

2. As explained in the second status report of June 2016, the statute lays out a clear standard for the review: the Commissioner "shall approve" a proposed merger unless he or she finds, after a public hearing, that the merger would create one or more of six specified conditions harmful to the public or the state's insurance markets. The specified conditions include a substantial lessening of competition in insurance in the state or tendency to create a monopoly, a standard similar to that at issue in the federal trial regarding the merger, *US et al. v. Anthem, Inc. and Cigna Corp*, U.S. District Court for the District of Columbia, No. 1:16-cv-01493-ABJ ("federal suit"), in which trial commences this week. The Commissioner is not a party to the federal suit.

3. By statute, the state review process includes additional insurance-specific considerations that go beyond the antitrust analysis in the federal suit. These include review of factors including whether the merger will result in a financial condition that might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders; material changes in business or corporate structure that are unfair and unreasonable to policyholders of the insurer and not in the public interest; and other likelihood of hazard or prejudice to the insurance-buying public. See NH RSA 401-B:3, VI(a).

4. The Analysis Team continues to engage in collecting information that it may present to the Commissioner at the public hearing in this matter. The Commissioner may

consider the evidence presented, along with any evidence presented by Anthem and by members of the public, in making the statutory determination under RSA chapter 401-B with respect to effects of the proposed merger in New Hampshire.

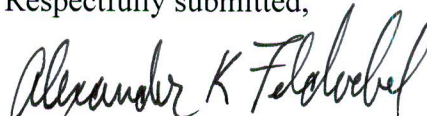
5. The Analysis Team offers the following specific status updates in this matter:

- a. The Analysis Team anticipates that, unless the outcome of the federal suit is such that the merger will no longer be going forward, it will request a public hearing, and that at the hearing it will present evidence regarding the effects of the merger on New Hampshire consumers.
- b. The Analysis Team, together with its experts, is presently engaged in analyzing the proposed merger and gathering information. As noted in the Analysis Team's previous status reports, on March 1, 2016, the Analysis Team provided Anthem with an Information Request asking for additional information to support or otherwise clarify statements made by the company in its Form E and Form A Statements filed with the Department.
- c. Anthem has recently supplied additional information in response to the Department's Information Request, which the Analysis Team is in the process of reviewing. In addition, Anthem is working cooperatively with the Analysis Team to provide in a timely fashion evidence being presented in the federal suit, so the Analysis Team may incorporate this material into its review.
- d. To supplement material supplied by Anthem, the Analysis team together with its experts has created a survey which will be distributed this week to some New Hampshire employers and insurance producers in an effort to

gather further information about the state's group insurance markets. All information collected by the survey will be anonymous.

6. The Analysis Team anticipates that upon completion of its analysis, including review of Anthem's final and complete responses to its information requests, it will file for the Commissioner's consideration either recommendations or an agreed-to proposal concerning how to proceed in this docket.

Respectfully submitted,

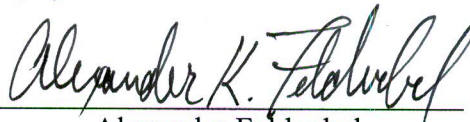


Alexander Feldvebel  
Deputy Commissioner

November 23, 2016

Certificate of Service

I hereby certify that a copy of this Status report of the Analysis Team as of November 23, 2016, is being served this 22nd day of November, 2016, by email and mail on counsel for Anthem, Inc.



Alexander Feldvebel